

## **FARM LEASE AGREEMENT**

### **I. Names of Parties and Descriptions of Farm**

It is mutually agreed that Mark Reum of E. G. & G. seized Real Property Support, 1817 Mia Drive, Crest Hill, IL 60403, acting as agent on behalf of the United States Treasury Dept., as Lessor, enter into this agricultural lease with Bishop, TX 78343 as Lessee.

The lease property is a farm of 43.6 acres situated near the city of Bishop in Nueces County, Texas and operated as Farm Service Agency farm number 934.

### **II. Terms of Lease and Rental Rate**

This lease shall be in effect from *February 26, 2010* ~~November 1, 2009~~ renewing automatically annually until which time either Lessor or Lessee sees fit to terminate this lease. Notification of such termination of lease shall be given to the affected party in a timely manner with respect to the upcoming annual renewal date. Also, in the event of such termination, the lessee shall be allowed adequate time to harvest any growing crops.

The annual sum of \$50 per acre (or \$2,180.00) shall be payable to United States Treasury Department on or before the date of November 1 during each year of the contract.

### **III. Allowances to Lessee:**

The lessee shall be allowed to use the land solely for the production of agricultural commodities and shall be granted necessary access to the property.

### **IV. Reservations to Lessor:**

The lessor reserves the right to govern any non-farming activities as well as free access and entry to the property. The lessor reserves the right to authorize oil, gas and other mineral exploration or operations on the property at anytime and agrees to name the lessee

as the eligible party for any damage payments such operations might produce.

The lessor also reserves the right to sell or otherwise dispose of the property, therefore terminating this lease under the following conditions:

(a) Lessor may terminate this lease on September 1 of any lease year, by giving 30 days notice to Lessee that the property has been sold and that the lease is terminated as of the upcoming September 1.

(b) Lessor may terminate this lease other than on September 1 of any lease year by giving Lessee notice that the property has been sold, or otherwise disposed of, and that the lease is to be terminated 30 days after receipt by Lessor of the notice. In such event, it shall be understood by the buyer of the property that it is customary to allow the Lessee ample time to harvest any growing crops on the property or to pay reasonable compensation to the Lessee for abandonment of such growing crops. The Lessor assumes no compensatory obligation upon the sale of the property.

#### **V. Lessee's Responsibilities:**

It is further agreed that the Lessee assumes all liability and full responsibility for adhering to state, federal and local regulations that govern planting dates, cotton stalk destruction and the use of pesticides.

The Lessee further agrees to implement sound and acceptable farming practices that will minimize erosion and prevent the establishment of noxious weeds or brush species.

In the event the Lessee does not renew the terms of this lease, the Lessor, incoming Lessee or new owner will have the right to do plowing or other land preparation or weed control prior to the expiration date of the lease.

VI. If either party willfully refuses to carry out the provisions of this lease agreement, such violations shall be specified by serving written notice on the party accused. In the event a resolution is not reached within 30 days the lease shall be terminated. This lease shall not give rise to a partnership. Neither party shall have the authority to bind the other without written consent.